GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4253
ANSWERED ON:04.05.2007
MINIMUM PUBLIC SHARES IN COMPANIES
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Will the Minister of FINANCE be pleased to state:

(a) the details of the listed companies of the country wherein the public stakeholding is not upto 25%;

(b) whether the Securities and Exchange Board of India (SEBI) proposes to take steps to ensure that the stakeholding of the public is minimum of 25% in the said listed companies; and

(c) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Securities and Exchange Board of India has informed that all listed companies are not required to maintain a minimum public shareholding of 25%. However, of the companies required to do so, 240 are non-compliant.

(b) and (c): The listing agreement provides a mechanism for enabling non-compliant companies to graduate to the level of compliant companies. If a company, however, fails to do so within the permissible time, its shares are liable to be delisted in terms of the delisting guidelines and it is liable for penal actions under the securities laws.